
AGENCY OVERVIEW
638 Northern Crops Institute

Date: 01/13/2011
Time: 10:56:42**Statutory Authority**

North Dakota Century Code Chapter 4-14.2.

Agency Description

The Northern Crops Institute (NCI) is a cooperative effort between North Dakota, Minnesota, Montana and South Dakota to support the promotion and market development of crops grown in this four-state region. NCI is an international meeting and learning center that brings together customers, commodity traders, technical experts, agricultural producers, and food and industrial processors for education, discussion and technical services. NCI provides technical and marketing assistance through specialized training courses and technical services that facilitate domestic and international market development and expanded sales of northern grown crops. Representatives from more than 127 countries have visited NCI since its inception. It is located on the campus of North Dakota State University.

Agency Mission Statement

NCI supports regional agriculture and value-added processing by conducting educational and technical programs that expand and maintain domestic and international markets for northern-grown crops.

Agency Performance Measures

NCI provides status reports to the Northern Crops Council three times annually at Council meetings (per North Dakota Century Code Section 4-14.2-02 and 4-14.2-03). On June 29, 2010, presentations and written documentation on accomplishments during Fiscal Year 2010 and plans for the next fiscal year were provided to the Council. Copies are on file at the NCI office and with Council members. NCI provided verbal and written status reports to the South Dakota Appropriations Committees in January 2010. NCI also gives regular status reports on NCI accomplishments to other agencies that provide Special/Other funds.

At the June 29, 2010 Northern Crops Council (NCC) meeting, a long-range strategy session was conducted, providing input on the direction of NCI programs and activities. Again the NCC reaffirmed NCI's direction and mission for the future. A new strategic plan is being developed in FY2011. NCI's direction for the future is to provide programs that educate the world about the broad spectrum of crops produced in our region.

Major Accomplishments

1. Contributed to state's economy through marketing activities for agricultural crops (increase and maintain crop sales) and by bringing many course participants and processors to North Dakota (hotels, meals, shopping, etc).
2. Contributed to market development and global awareness of North Dakota and four-state regional crop quality and availability.
3. Hosted and promoted regional agriculture to visitors, short course participants and lecturers from over 50 countries.
4. Educated over 400 participants of short courses and trade teams, and hundreds more through domestic and international outreach programs.
5. Offered courses in partnership with U.S. Wheat Associates, American Soybean Association, U.S. Grains Council, US Dry Bean Council, American Pulse Association, USA Dry Pea and Lentil Association, American Society for Brewing Chemists, Association of Oil Chemists Society, USDA/FAS Cochran Program, USDA Federal Grain Inspection Service (FGIS), Minneapolis Grain Exchange, NDSU Extension Service, ND Grain Dealers, Midwest Shippers Association, and many commodity check-off organizations.
6. Continued strong annual enrollments in grain procurement management courses.
7. Provided customized courses for regional and multi-national companies.
8. Continued strong enrollment in pasta technology courses.
9. Conducted feed production programs for domestic and international animal feed manufacturers.
10. Conducted courses on the use of Distillers Dried Grains with Solubles (DDGS) to domestic and international animal feed nutritionists.
11. Developed and conducted courses for the use of soy, whole wheat, legumes, flax and canola in food products, and the use of DDGS and soybean products in aquaculture feeds.
12. Provided lectures and demonstrations for NDSU, SDSU and other regional universities.
13. Developed and offered specialized courses/workshops upon request.
14. Hosted and provided lectures for international trade teams regularly.

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15. Produced complete feeds, concentrates, supplements and custom premixes for use in animal research. Feed production for FY 2010 was 1,450 tons, mostly for NDSU Experiment Station and Research and Extension Centers. Feed for main station experimental livestock research is manufactured at NCI feed production center.
16. Provided technical expertise in crop quality and utilization in locations around the world.
17. Held leadership roles in many national/international professional organizations including the American Association of Cereal Chemists International, Wheat Quality Council, Association of Operative Millers, American Feed Industry Association, Analytical Oil Chemists Society, and Institute for Food Technologists.

Future Critical Issues

Since our first international program was held in 1983, NCI has earned consistent success in promoting regional crops and is recognized as one of the best U.S. training facilities of its kind. It is the only regional organization of its type. In an increasingly competitive climate for world market share of agricultural commodities, NCI must keep current and meet the needs of international and U.S. crop buyers.

Animal agriculture has a direct impact on the economy of North Dakota and the region, with a significant amount of our crops being utilized in the manufacturing of feed products here and around the world. The NCI Feedmill Manager leads NCI's efforts to expand the use of our crops, and to train international grain buyers and processors about quality and value of our crops and co-products. Since the position was created in 1991, this position has been supported by regional commodity groups and appropriated funds from states of Minnesota and South Dakota. We continue to receive strong support from our regional feed grain commodity groups, however, the level and type of financial support has shifted, with more funding targeted for specific projects and less for salaries. This change in focus is making it increasingly difficult to fund the position. Therefore, NCI has an identified need for appropriated funding for this full-time position to ensure that NCI is able to provide expertise on the quality and utilization of our crops in animal feed products.

NCI programs, processing and analytical technologies must stay up-to-date to match technology of today and the future. High technology equipment is needed to maintain leading edge processing, testing capabilities, and delivery systems. With the increased number and diversity of the educational programs and crop utilization activities at NCI, additional funds are needed for operating expenses and equipment associated with our main facility located on the NDSU campus and the Feed Production Center (FPC) located north and west of campus. Funds are needed to purchase and maintain equipment in our laboratories, auditorium, offices and FPC, as well as for other items including printing and postage for short course brochures, newsletters and other promotional materials, as well as office supplies and services.

REQUEST SUMMARY

638 Northern Crops Institute

Biennium: 2011-2013

Bill#: HB1020

Date: 01/13/2011

Time: 10:56:42

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
By Major Program					
Farm Product Development, Mktg. and Util	2,516,094	3,037,486	474,672	3,512,158	0
Total Major Program	2,516,094	3,037,486	474,672	3,512,158	0
By Line Item					
Northern Crops Institute	2,516,094	3,037,486	474,672	3,512,158	0
Total Line Items	2,516,094	3,037,486	474,672	3,512,158	0
By Funding Source					
General Fund	1,150,818	1,439,221	272,752	1,711,973	0
Federal Funds					
Special Funds	1,365,276	1,598,265	201,920	1,800,185	0
Total Funding Source	2,516,094	3,037,486	474,672	3,512,158	0
Total FTE	10.20	11.00	0.00	11.00	0.00

REQUEST DETAIL

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Northern Crops Institute					
Salaries - Permanent	1,058,920	1,554,597	(278,507)	1,276,090	0
Salaries - Other	12,330	0	0	0	0
Temporary Salaries	13,874	27,296	459,042	486,338	0
Fringe Benefits	312,081	525,195	19,829	545,024	0
Travel	97,332	56,188	0	56,188	0
Supplies - IT Software	3,979	1,505	0	1,505	0
Supply/Material-Professional	4,912	7,044	0	7,044	0
Food and Clothing	39,760	25,015	0	25,015	0
Bldg, Ground, Maintenance	1,532	7,214	0	7,214	0
Miscellaneous Supplies	42,126	94,597	19,029	113,626	0
Office Supplies	4,215	4,725	0	4,725	0
Postage	20,151	11,158	0	11,158	0
Printing	37,917	33,711	0	33,711	0
IT Equip Under \$5,000	10,060	9,104	0	9,104	0
Other Equip Under \$5,000	51,931	37,426	9,062	46,488	0
Utilities	24,997	25,000	1,359	26,359	0
Insurance	1,164	755	0	755	0
Rentals/Leases-Equip & Other	1,174	775	0	775	0
Rentals/Leases - Bldg/Land	5,140	1,889	0	1,889	0
Repairs	186,073	375,000	0	375,000	0
IT - Communications	15,143	13,750	0	13,750	0
Professional Development	1,797	20,368	0	20,368	0
Operating Fees and Services	105,859	66,070	15,858	81,928	0
Fees - Professional Services	130,308	83,104	0	83,104	0
Miscellaneous Expenses	3,000	0	0	0	0
Cost of Good Sold	5,889	0	0	0	0
Extraordinary Repairs	25,000	0	0	0	0
Equipment Over \$5000	299,430	56,000	229,000	285,000	0
Total	2,516,094	3,037,486	474,672	3,512,158	0

Northern Crops Institute

General Fund	1,150,818	1,439,221	272,752	1,711,973	0
Federal Funds	0	0	0	0	0
Special Funds	1,365,276	1,598,265	201,920	1,800,185	0
Total	2,516,094	3,037,486	474,672	3,512,158	0

Funding Sources

General Fund	1,150,818	1,439,221	272,752	1,711,973	0
Federal Funds	0	0	0	0	0

REQUEST DETAIL

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Biennium: 2011-2013

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Special Funds	1,365,276	1,598,265	201,920	1,800,185	0
Total Funding Sources	2,516,094	3,037,486	474,672	3,512,158	0

CHANGE PACKAGE SUMMARY

638 Northern Crops Institute

Bill#: HB1020

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Time: 10:56:42

Biennium: 2011-2013

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
Ongoing Budget Changes						
A-A 1 17 Pct Base Increase		0.00	244,670	0	0	244,670
A-A 3 Base Funding for Equipment over 5,000		0.00	4,111	0	280,889	285,000
A-F 3 Remove Base Funding Equip over 5,000		0.00	(16,000)	0	(40,000)	(56,000)
Base Payroll Change		0.00	39,971	0	(38,969)	1,002
Total Ongoing Budget Changes		0.00	272,752	0	201,920	474,672
Total Base Budget Changes		0.00	272,752	0	201,920	474,672

BUDGET CHANGES NARRATIVE

638 Northern Crops Institute

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Date: 01/13/2011

Time: 10:56:42

Change Group: A	Change Type: A	Change No: 1	Priority: 1
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17 Pct Base Increase - 244,670

An increase of \$244,670, or 17 percent over the 2009-11 general fund base, would provide funds to address the following priorities of Northern Crops Institute:

Feed Production Center Manager: \$199,362 salary and fringe benefits, (1.0 existing FTE from Special Funds to General Fund)

The importance of animal agriculture and its impact on the economy of North Dakota and the region are understood by many, and a significant amount of our crops are utilized in the manufacturing of feed products here in our region and around the world. The NCI Feed Production Center (NCI-FPC) was constructed in the early 1990's to expand the use of our crops and to train international grain buyers and processors about quality and value that our crops and co-products bring to their operations. Since the Feed Production Center Manager position was created, the salary has been paid with special funds, the majority of which have come from regional commodity groups. In the twenty-plus years since then, production agriculture has changed significantly, and although we receive strong support from our regional feed grain commodity groups, a number of them are able to support projects or equipment, but not salaries, making it increasingly more difficult to continuously fund the position.

With this initiative, NCI requests funding for a full-time position of Feed Production Center Manager. This position provides expertise on the quality and utilization of our crops in animal feed products, and is responsible for developing new training programs, teaching in short course programs, advising NDSU animal science researchers, and conducting processing trials to increase the utilization of regional crops.

This request was approved in the Executive Recommendation

Equipment and Operating Expenses: \$45,308

With the increased number and diversity of the educational programs and crop utilization activities at NCI, additional funds will allow NCI to cover the additional operating expenses and equipment associated with our main facility located on the NDSU campus and the Feed Production Center (FPC) located north and west of campus. This initiative will provide funding to purchase and maintain equipment in our laboratories, auditorium, offices and FPC. It will also help pay for operating expenses, including printing and postage for short course brochures, newsletters and other promotional materials, as well as office supplies and services.

These equipment and operating expenses were restored to special funds in the Executive Recommendation.

Change Group: A	Change Type: A	Change No: 3	Priority: 2
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Base Funding for Equipment over 5,000 - 285,000

To add \$285,000 of 2011-13 equipment > \$5,000

Change Group: A	Change Type: A	Change No: 4	Priority: 3
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Other Revenue Change

Did not use this change code.

Change Group: A	Change Type: F	Change No: 3	Priority: 1
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Remove Base Funding Equip over 5,000 - (\$56,000)

BUDGET CHANGES NARRATIVE**638 Northern Crops Institute****Bill#: HB1020****Date:** 01/13/2011**Time:** 10:56:42

To remove \$56,000 base funding for equipment > \$5,000 for 2009-11. Equipment for 2011-13 has been entered using change code AA3.

Change Group: R	Change Type: A	Change No: 1	Priority:
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Funding Source Change

Restores \$45,308 special fund authority for operating expenses funded in the needs based budget from the general fund.

Change Group: R	Change Type: A	Change No: 2	Priority:
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Retirement Rate Correction

This adjustment corrects the retirement rate for TIAA-CREF participants of the agency from the 16.4% used during budget submission to the actual rate of 10.4%.